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The Influence of Financial Resources on Later Live

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Abstract

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Today there is a growing trend of aging population in the whole world, which occurs due to the reduction of fertility in developed countries and to increase life expectancy. By 2050 more than a quarter of the world population will be aging people. Therefore, this research is devoted to discussion of topical issues relating to such an important challenge as the influence of financial resources on our later live. There are a lot of different indicators that show economic wellbeing of old adults. But the studies often do not allow comparing the Russian data and results with data and results from other countries because of the great differences in methodology. It was found, that physical, psychological, and material wellbeing in old age depend more on how we use our financial resources in the prime of our life.

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1. Introduction

Under the global aging of population the challenge of researching the specifics of this process is becoming increasingly important. In the latter half of the XX century scientists started researching the paradigm Life Course Perspective. It brought together interdisciplinary researches in the field of philosophy, sociology, psychology, anthropology, history, ethnography, demography, and other sciences. In this article we will examine how the emergence of this theory influenced the understanding of changes in the material resources in general, and will try to analyse financial resources in particular on the example of Russia.

2. Body of Research

So, what is a Life Course Perspective? According to Christina Victor “life course consists of a series of stages (or social roles) which all individuals pass through as they are” (Victor, 2005). At the same time, the authors of the book “Key Concepts in Social Gerontology” understand under the Life Course



Perspective “a dynamic and process-based approach to understanding ageing by examining how human lives are socially organised and evolve over time” (Phillips, Ajrouch, & Hillcoat-Nalletamby, 2010). From there, the Life Course Perspective means studying individual human behaviour in dynamics and how the events (past experience) affect the future life. The problematic of life course is the result of changes in understanding and studying human life. One of the first in the direction of their theoretical study was carried out by Glen Elder Jr. (Hutchison, 2010). In the book “Children of Great Depression” he singled out five key principles of Life Course Perspective. To reveal the given issue, we would like to highlight one of the principles more thoroughly. All the events, which happened in the past, shape our future. That is, the events and situations happened in the early life influence our wellbeing in old age. Studying the literature on the subject, we have found that the question of financial resources influence on the life course of people is not studied enough. Therefore, it was decided to pay greater attention to this aspect in the article. For the benefit of this study it is necessary to note that the pioneer researches giving birth to the Life Course Perspective were based on the analysis of economic changes happened after the Great Depression. In addition, a Professor of Social Policy and Social Gerontology A. Walker (1997) in his work “Ageing and Quality of life in Europe” denoted the new line of this research: “new knowledge is required on how the income needs of older people change as they age their perceptions of income, and how these change over time”. The author focused on the lack of reliable data that is why he suggested this line of the research as a new one.

Now it can be seen that, under the material resources we understand an economic wellbeing. Financial resources are used in the narrow sense as a restricted notion, which is a part of material resources. The financial resources include: savings, pensions and property (Vincent, Phillipson, & Dawns, 2006). From our point of view, the financial resources are an integral part of the social, psychological and physiological resources. The results of the study made by the World Health Organization can be used as proof points. The influence of the presence (absence) of the financial resources on surrounding condition is shown in the table below (Table 1).

Table 1. The influence of the presence (absence) of the financial resources on surrounding condition.

Financial resources in supply	Characteristic	Financial resources limited
Favourable	Psychological conditions	Stress, low self-esteem
Qualitative food in good supply	Food security	limited low quality product
Comfortable, enhanced	Living conditions	bad, without special amenities
In a norm	Sanitary conditions	insanitary conditions
Available	Medical services	limited access

Moreover, it is necessary to draw attention to the fact that the change of financial resources can happen under the influence of the factors at the macro-level as well as at the micro-level. At the macro level the state performs its social and economic functions. These functions include reducing population differentiation, food and environmental safety, providing health services and education. Speaking about the micro level, we suppose the impact of a person or his/her family on the financial situation. Here, such factors as the financial wellbeing of the previous generations, the level of family income, the level of education play a main role as well as the cultural and traditional factors, they should also be taken

into consideration. At the same time, the social and economic factors affecting the human life course often depend on the national and economic development. They are out of a particular person control. It should be noted that the phenomenon of poverty causes the shorter life expectancy, poor health in old age. Moreover, this tendency can be seen both in developed countries and in developing ones. Of course, a lack of material resources leads to the fact that people in meeting their needs make their choice in favour of lower-quality goods and services. And this in turn leads to the health deterioration and reduction in life expectancy. The studying of the changes in financial resources involves me to study the following questions: gender changes in working life, changes of working time (continuous or discontinuous), changes in the pension system of the country, retirement, employment in later life and etc.

What concerns the situation in Russia, in contrast to the Western researchers where the life course is already established paradigm, not so many scientists in the national scientific community are engaged in this scientific problem. In particular, the Russian scientists Solodnikov & Solodnikova (2009) carried out the study on middle age in the context of the walk of life, in which the authors tried to find out how the social and economic changes influence the life values of people. In this study the respondents divided their life into segments. For instance in childhood biologically conditioned factors are the most important, in youth cohort differences reach their peak, contrary, in the central stages of life the meaning of this factor is minimal, and at the end of the life, it increases again however, does not reach the initial values. At the same time in Russia as well as in global world there is a tendency of increasing life expectancy and that women live longer than men.

Nowadays, one of the serious social and political issues in Russia is steady increasing of economic stratification of the population and, as a consequence, the growth of both the relative and the absolute poverty of its significant part. The problem is particularly acute for the most socially vulnerable population category – for pensioners. The population in Russia has a steady tendency to ageing. Indeed, since 1991, the proportion of people older than working-age population has increased by 4.08 % and has reached 23.09 %. The number of people of working age has also increased. However, in 2007, growth has been changed by the fall. The number of people younger than working age has decreased as well. All these facts demonstrate that Russia is in the “demographic hole”.

In total, the aging of the population amplifies social strain; enlarge the load on the economy of the country, its pension system, health care system and social security, making the problem of funding, pensions and benefits. Moreover, the decline of economically active population share makes severe shortage of work-force. The main and the and often the only source of income for an absolute majority of this population category is their pension, which varies in types: labour pension (old-age retirement pension, disability pension, loss-of-breadwinner pension) and state-provided pension. The structure of the retirement income is presented in the table 2.

Table 2. The level and the structure of income households of pensioners in Russia (According to sampling inquiry of household income and membership in social programs for 2011)

Households, consisting of pensioners (only)	
Household	Household member

	average, per month, roubles	average, per month, roubles
Money income – in total	24488.2	17132.6
Employment income – in total	7216.5	5048.8
Payment for labour	6242.2	4367.2
Independent employment income	818.7	572.8
Other labour activity income	155.6	108.9
Property income – in total	171.7	120.1
among them rentroll income	113.8	79.6
Transfers – in total	17100.0	11963.6
Welfare payments	16509.4	11550.4
including		
Pension income	13746.9	9617.7
Benefits, aids, compensations and other social payments	2762.5	1932.7
Incoming receivables from individuals and organizations, excepting social welfare bodies	590.6	413.2
among them maintenance payments and other equivalent to them payments	6.3	4.4

According to the carried out analysis, the conclusion should be drawn that the distinctive feature of modern Russians is their willingness to take risks associated with changing the career trajectory. This readiness varies considerably depending on gender, age, education, professional experience and human health and largely determined internally, made earlier by personal choices. However, representatives of different professional groups face discrimination based on gender and age by the professional requirements and by an employer. In that connection this tendency lasts then in old age. For example the level of pensions for men exceeds the level of pensions for women.

3. Conclusion

In summary, the carried out research help us to draw a conclusion that with appearing the Life Course Perspectives our understanding of the material resources, in particular financial resources, has been changed. The financial resources play a significant role in wellbeing latter life of people. Therefore our health, physical, psychological wellbeing and material welfare in old age depend more on how we use our financial resources in the prime of our life.

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